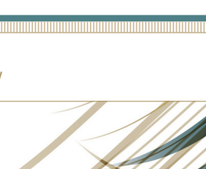
MARKETS
Science & Technology

Transformations through technology

In tough economic times technology offers the financial services industry a means of keeping costs down and profits up



INTERVIEW WITH
Robert Hazboun
MANAGING DIRECTOR, ICSFS

In today's world, when a business is looking to take things to the next level, it turns to technology to help get it there. In the banking sector, the current economic climate and increased regulation mean that profits are restricted and bottom lines shrink, but through the application of new technologies banks are able to reduce outgoings and remain competitive in this highly constrictive environment.

Nowadays, banks must yield their highest return on investment by transforming their business through implementing and investing in innovative technology solutions that will drive productivity, lower their costs and risks, and deliver user centricity – for customers and employees. Banks can transform their business whether by replacing their legacy or in-house system, adapting a new system or adding new layers of product features on existing system. In order to make sure that they make the best decision moving forward many financial organisations turn to companies like, ICS Financial Systems (ICSFS), which make it their mission to help its clients to evolve their business through the latest technologies on offer, allowing them to achieve shorter innovation cycles and get products and services to market faster.

In order to better understand how technology is unlocking banks' potential in such a challenging environment, *World Finance* caught up with ICS Financial System's Managing Director, Robert Hazboun.

How important is technology in equipping banks more appropriately for the present climate?
Utilising technology is the key not only to be ahead of the curve, but also to remain ahead in today's fast-moving market. I believe that banks can generate and improve productivity by a much higher percentage of their usual intake. By utilising technology, banks can significantly increase their level of automation, hence higher performance and lower risk, and simultaneously reduce their manual processing, whether it's for the front, middle or back office.

Banks should look for optimal end-to-end technology solutions that simplify their processes taking into consideration the solution's flexibility and agility, development approach and reliability, real-time processing and cutting edge technical services. In summary, banks should capitalise on technology innovation in this ever-changing market. A fully-fledged, "bank-in-a-box solution" is how our clients describe our solution. Other clients have stated that they have "not missed a beat" after rolling out ICS BANKS.

What are the major challenges for banks looking to transform through technology?
Leveraging technology has put a lot of pressure on the IT departments in any bank, as they are expected to accommodate and integrate new technologies into each business process of the bank, and face the challenges accompanied with the new technologies as well as measure and control the quality, create value, enhance productivity and drive IT-led revenues.

The right investment is achieved by choosing the right technology solution. Today, there are so many technology solutions that claim to offer a one-stop-shop for any bank whether it's a universal, retail, corporate or even an Islamic bank. However, many of these technology solutions seem to fail in one or more of the banks transformation processes, whether in gap analysis, migration, implementation, or in optimising data centre and disaster recovery, or even in complying with local requirements and new regulations.

It is a major challenge for banks as any technology solution, whether it's an add-on or a new system, is a big investment. It is like a marriage; if the bank and technology provider started the relationship with the right methodologies and were both honest from the beginning and completed the roadmap as planned, the relationship will last happily ever after. However, if the technology provider is not dealing with transparency with the bank, problems and delays and even more costs will occur, which will lead the bank to distrust the technology provider and end up with a divorce at the end.

When a bank rolls out a new system, theoretically the bank should see instant effective performance. While the bank is eager to see results, employees are used to deal with a system that they were comfortable with, now, although the new system is much more user-friendly and agile, employees lean to be more attached to the old system they are used to. Banks need to make sure that their employees' behaviour will not incur any risk of losses and that they are motivated by serving their clients to become client-centric.

We recognise the challenges the banks face during the transformation especially when they have prospects of new acquisitions – the challenges will double if not triple. At ICSFS, we tackle the challenges so the transformation runs smoothly. We have replaced many systems over the past decades, and have experienced and successfully tackled the challenges with our clients. As complicated as the transformation is, ICSFS proactively enhances the business and technological demands of its users with its precise and accurate platform design that covers majority of emerging business trends.

How can this transformation drive or contribute positively to the business?
The technology transformation contributes positively to the business strategy; it will enable the bank to maximise profitability, cost efficiency, productivity levels and will enhance the use of capital, liquidity and leverage. Also, with leading compliance and risk capabilities, the transformation will minimise fines and losses; hence the bank will be more in control.

Can you tell us about the major ways in which technology has shaped banking in recent times?
The banking industry today is experiencing a major shift caused by technology advances; in fact these advances are more like an earthquake rather than a steady change. Mobile technologies, social media and of course cloud computing are advancing swiftly. In the past, banking technology providers had a very little or no problems keeping up with the pace of technological advances rather than financial products change. But nowadays, technology is taking the lead so financial and technological products require quick deployment. For example customers are eager to have their new financial products deployed rapidly or having a new mobile banking or social media-banking tool implemented and deployed in a very short time. The core competition spreads from financial banking products development to technological banking products deployment.

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How is it that ICSFS factors into this transformation?
At ICSFS, we understand that universal and retail banking industry is restructuring, producing a rich supply of information and services to customers. The relationship between banks and customers is changing rapidly, requiring innovative solutions. With increasing competition and volatile economic situation, financial institutions are now looking beyond existing traditional business models to identify future profitable opportunities.

We also understand that modern banking today is on a smart planet, where financial institutions are obliged to serve their customers anywhere and anytime. This is exerting pressure on financial institutions and banks to open their infrastructure and push their services to banking and non-banking customers. This will, in turn, lead to challenges of scalability, performance, security and cost.

We are dedicated to provide our clients with comprehensive, smart and business-driven banking software with a record-breaking time of implementation. Our team ensures best practice processes from initial planning to risk and mitigation analysis, fine-tuning, development, testing, data cleansing and migration, implementation, training, going live and handover. ICSFS solutions provide innovative products and next generation banking services for its customers.

What differentiates your services from your competitors?
Our strengths are our professionalism, flexibility and cutting-edge technical skills. Our development approach ensures a rich spectrum of features in our software, ICS Banks, reflecting customers' actual process and best practice. ICS Banks solutions are parameterised powered by Business Process Management so clients can quickly put to use the features they need with minimum time, risk, effort and cost.

ICSFS caters to the needs of modern financial institutions. ICS Banks is packaged as one complete solution to provide a complete integrated and parameterised end-to-end solution that covers all banking activities.

ICS Banks helps banks to transform operational procedures to meet current and future financial industry standards through applying best practices and by being in compliance with international standards; such as IFRS and Basel requirements.

One of our main strategies is to maintain a strong relationship with our partners and customers, using continuous interactions via internal and external communications. We embark the importance of building and preserving strong and lasting relationships with partners and customers throughout the organisation, as well as all external communications.

We have grown with our clients, and have successfully implemented and consolidated big banks – a five bank merger of 110 branches project was completed in four months, another project was for a nine bank merger of which each bank had a different core banking system totalling to around 300 branches, a project that reached completion in record-breaking of nine months.

What is ICSFS' vision for a transformed banking industry?
Our vision is to ensure our growth by achieving the highest possible customer satisfaction, never compromising on the integrity of our approach or on the enhancement of our technical strengths. As critical as products and technologies are, nothing is more important to ICSFS' success than the ability to build and preserve strong and lasting relationship with customers as in this century, technology is the heart of a bank, starting initially from the core to out-of-the-box solutions including internet and mobile banking. ICS Banks connects its users more efficiently with their customers, technology have not been well understood or trusted years ago, however now banks are becoming more interested in technology and are gaining competitive advantage and deploying digitalisation through technology. ■